

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2016**

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS**

YEAR ENDED DECEMBER 31, 2016

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Schedules Performed in Accordance with Government Auditing Standards		5
Basic Financial Statements - Regulatory Basis:		
<u>Current Fund</u>		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	9
Comparative Schedule of Operations and Changes in Fund Balance - Regulatory Basis	A-1	12
Schedule of Revenues - Regulatory Basis	A-2	13
Schedule of Expenditures - Regulatory Basis	A-3	16
<u>Trust Fund</u>		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	28
Schedule of Fund Balance - Recreation Commission - Regulatory Basis	B-1	29
<u>General Capital Fund</u>		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	30
Comparative Schedule of Fund Balance - Regulatory Basis	C-1	31
<u>General Fixed Assets Account Group</u>		
Comparative Schedule of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	32
<u>Notes to Financial Schedules</u>		35

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS**

YEAR ENDED DECEMBER 31, 2016

	<u>Exhibit</u>	<u>Page</u>
<u>Supplementary Schedules:</u>		
<u>Current Fund</u>		
Schedule of Cash Receipts and Disbursements - Treasurer	A-4	73
Schedule of Due From/(To) State of New Jersey - Senior Citizens' and Veterans' Deductions	A-5	75
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	76
Schedule of Sewer Fees Receivable	A-7	77
Schedule of Revenue Accounts Receivable	A-8	78
Schedule of Due to Trust - Other Fund	A-9	79
Schedule of 2015 Appropriation Reserves	A-10	80
Schedule of Accounts Payable	A-11	84
Schedule of Due to State of New Jersey - Marriage Licenses	A-12	85
Schedule of Due to State of New Jersey - U.C.C. Fees	A-13	86
Schedule of Prepaid Taxes	A-14	87
Schedule of Tax Overpayments	A-15	88
Schedule of Sewer Fee Overpayments	A-16	89
Schedule of Drive-In Sanitation Overpayments	A-17	90
Schedule of Third Party Liens Payable	A-18	91
Schedule of County Taxes Payable	A-19	92
Schedule of Local School Taxes Payable	A-20	93
Schedule of Regional High School Taxes Payable	A-21	94
Schedule of Prior Year Construction Fees Payable	A-22	95
Schedule of Reserve for Master Plan	A-23	96
Schedule of Reserve for Revaluation	A-24	97
Schedule of Reserve for Tax Sale Premiums	A-25	98
Schedule of Reserve to Pay Special Emergency Note - Sandy	A-26	99
Schedule of Reserve for BAN Interest	A-27	100
Schedule of Reserve for Tax Appeals	A-28	101
Schedule of Due to Borough of Red Bank	A-29	102
Schedule of Due to Capital Fund	A-30	103
Schedule of Due From Current Fund	A-31	104
Schedule of State Grants Receivable	A-32	105
Schedule of Reserve for Grant Expenditures - Apporpriated	A-33	106
Schedule of Reserve for Grant Expenditures - Unapporpriated	A-34	107
<u>Trust Fund</u>		
Schedule of Cash Receipts and Disbursements - Treasurer	B-2	111
Schedule of Reserve for Dog Fund Expenditures	B-3	112
Schedule of Due to State of New Jersey - Dog Licenses	B-4	113
Schedule of Reserve for Various Trust Funds	B-5	114
Schedule of Reserve for Special Assessment	B-6	115
Schedule of Payroll Deductions Payable	B-7	116
Schedule of Due From Current Fund	B-8	117

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS**

YEAR ENDED DECEMBER 31, 2016

	<u>Exhibit</u>	<u>Page</u>
<u>Supplementary Schedules (continued):</u>		
Schedule of Investments - Length of Service Awards Program Fund (Unaudited)	B-9	118
Schedule of Due from Current Fund - Length of Service Awards Program Fund (Unaudited)	B-10	119
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund (Unaudited)	B-11	120
<u>General Capital Fund</u>		
Schedule of Cash Receipts and Disbursements - Treasurer	C-2	123
Schedule of Analysis of General Capital Fund Cash and Investments	C-3	124
Schedule Due From/(To) State of New Jersey	C-4	125
Schedule of Deferred Charges to Future Taxation - Funded	C-5	126
Schedule of Deferred Charges to Future Taxation - Unfunded	C-6	127
Schedule of Serial Bonds Payable	C-7	128
Schedule of Bond Anticipation Notes Payable	C-8	129
Schedule of Green Acres Loan Payable	C-9	130
Schedule of Improvement Authorizations	C-10	131
Schedule of Retained Percentage Due to Contractors	C-11	132
Schedule of Capital Improvement Fund	C-12	133
Schedule of Reserve for Debt Service	C-13	134
Schedule of Bonds and Notes Authorized But Not Issued	C-14	135
Schedule of Federal Grants Receivable - FEMA Pump Station Generators	C-15	136
Schedule of Due From Current Fund	C-16	137
<u>General Fixed Assets Account Group</u>		
Schedule of General Fixed Assets	D-1	141

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS**

YEAR ENDED DECEMBER 31, 2016

	<u>Exhibit</u>	<u>Page</u>
<u>Comments and Recommendations</u>		
Scope of the Audit		145
Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)		145
Contracts and Agreements Requiring Solicitation of Quotations		146
Collection of Interest on Delinquent Taxes and Assessments		146
Tax Collector's Annual Report		147
Delinquent Taxes and Tax Title Liens		147
Deductions from Taxes		147
Examination of Bills		148
Deposit of Funds Paid to Local Unit		148
Payroll Fund		148
Municipal Court		148
Prior Year Findings		149
Roster of Officials		150
Acknowledgment		151

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Rumson
County of Monmouth
Rumson, New Jersey 07760

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Rumson, County of Monmouth, State of New Jersey as of December 31, 2016 and 2015, and the related comparative statements of operations and changes in fund balance - regulatory basis for the years then ended, the related comparative statement of revenues - regulatory basis, and comparative statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 to the financial statements, the Borough of Rumson prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Rumson, County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 9.12% and 8.97% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2016 and 2015.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Rumson, County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the comparative statement of revenues - regulatory basis, comparative statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental statements and schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2017, on our consideration of the Borough of Rumson’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rumson’s internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
May 22, 2017

This page intentionally left blank.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members
of the Borough Council
Borough of Rumson
Rumson, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Rumson (herein referred to as “the Borough”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated May 22, 2017. Our report indicated that the Borough’s financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of

our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
May 22, 2017

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

BOROUGH OF RUMSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	REFERENCE	<u>2016</u>	<u>2015</u>
ASSETS			
Regular Fund:			
Cash	A-4	\$ 19,404,047.78	\$ 19,679,440.48
Change Fund	A	<u>300.00</u>	<u>300.00</u>
Total		<u>19,404,347.78</u>	<u>19,679,740.48</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	431,561.66	455,558.78
Sewer Fees Receivable	A-7	31,779.40	37,199.54
Revenue Accounts Receivable	A-8	2,616.86	5,119.42
Due From Capital Fund	A-30	<u>86.72</u>	<u>-</u>
Total Receivables & Other Assets With Full Reserves		<u>466,044.64</u>	<u>497,877.74</u>
Total Regular Funds		<u>19,870,392.42</u>	<u>20,177,618.22</u>
Grant Fund:			
Due From Current Fund	A-31	158,613.97	72,334.69
State Grants Receivable	A-32	<u>259,417.04</u>	<u>277,489.59</u>
Total State & Federal Grants		<u>418,031.01</u>	<u>349,824.28</u>
Total Assets		<u>\$ 20,288,423.43</u>	<u>\$ 20,527,442.50</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF RUMSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	REFERENCE	<u>2016</u>	<u>2015</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 1,349,258.86	\$ 1,216,914.78
Encumbrances Payable	A-3	440,400.08	310,727.16
Accounts Payable	A-11	104,137.79	86,861.88
Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-5	8,108.03	8,108.03
Marriage Licenses	A-12	100.00	175.00
U.C.C. Fees	A-13	5,224.00	5,442.00
Prepaid Taxes	A-14	493,642.55	346,285.22
Tax Overpayments Payable	A-15	87,943.87	1,944.52
Sewer Fee Overpayments	A-16	8,908.90	6,898.39
Drive-In Sanitation Overpayments	A-17	800.00	800.00
Third Party Liens Payable	A-18	28.62	28.62
County Taxes Payable	A-19	93,277.05	125,083.52
Local School District Tax Payable	A-20	5,840,386.79	4,740,386.79
Regional High School Tax Payable	A-21	5,412,495.11	5,412,495.11
Prior Year Construction Fee Payable	A-22	133.50	133.50
Due To:			
Grant Fund	A	158,613.97	72,334.69
Capital Fund	A-30	-	1,007,683.06
Borough of Red Bank	A-29	0.02	0.02
Reserve for:			
Master Plan	A-23	82.82	82.82
Revaluation	A-24	16,477.91	16,477.91
Tax Sale Premiums	A-25	369,200.00	233,200.00
BAN Interest	A-27	4,431.59	34,299.43
Pay Special Emergency Notes	A-26	0.03	0.03
Tax Appeals	A-28	44,858.64	133,721.09
Subtotal Regular Fund		<u>14,438,510.13</u>	<u>13,760,083.57</u>
Reserve for Receivables & Other Assets	A	466,044.64	497,877.74
Fund Balance	A-1	<u>4,965,837.65</u>	<u>5,919,656.91</u>
Total Regular Fund		<u>19,870,392.42</u>	<u>20,177,618.22</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
State & Federal Grant Funds:			
Encumbrance Payable	A-33	104,962.61	26,969.55
Reserve for Federal & State Grants:			
Appropriated Reserves	A-33	301,217.33	311,019.93
Unappropriated Reserves	A-34	<u>11,851.07</u>	<u>11,834.80</u>
Total State & Federal Grants		<u>418,031.01</u>	<u>349,824.28</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 20,288,423.43</u></u>	<u><u>\$ 20,527,442.50</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,380,000.00	\$ 2,205,469.00
Miscellaneous Revenue Anticipated	3,903,629.57	4,373,236.78
Receipts From Delinquent Taxes	406,549.74	383,808.23
Receipts From Current Taxes	49,356,380.48	48,959,713.21
Non-Budget Revenue	155,624.20	266,096.85
Cancellation of:		
Unexpended Balances of Appropriation Reserves	1,210,453.76	804,585.45
Accounts Payable	-	22,459.85
	<hr/>	<hr/>
Total Revenues	<u>57,412,637.75</u>	<u>57,015,369.37</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	5,222,252.74	5,113,939.00
Other Expenses	6,312,608.32	6,805,108.77
Capital Improvements	1,896,553.00	1,000,000.00
Municipal Debt Service	2,198,335.52	1,858,220.38
Deferred Charges and Statutory		
Expenditures	1,028,080.00	1,971,671.34
County Taxes	9,977,126.33	10,272,482.15
County Share of Added Taxes	93,277.05	125,083.52
Local School District Tax	16,567,271.00	15,731,447.03
Regional High School Tax	12,681,878.00	14,104,344.00
Prior Year Refunds	9,075.05	-
	<hr/>	<hr/>
Total Expenditures	<u>55,986,457.01</u>	<u>56,982,296.19</u>
Excess/(Deficit) in Revenue	1,426,180.74	33,073.18
Fund Balance, January 1	<u>5,919,656.91</u>	<u>8,092,052.73</u>
	7,345,837.65	8,125,125.91
Decreased By:		
Utilization as Anticipated Revenue	<u>2,380,000.00</u>	<u>2,205,469.00</u>
Fund Balance, December 31	<u><u>\$ 4,965,837.65</u></u>	<u><u>\$ 5,919,656.91</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 2,380,000.00	\$ -	\$ 2,380,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	25,000.00	-	35,424.00	10,424.00
Fees and Permits:				
Other	150,000.00	-	171,085.47	21,085.47
Fines and Costs:				
Municipal Court	75,000.00	-	62,076.20	(12,923.80)
Interest and Cost on Taxes	110,000.00	-	128,953.67	18,953.67
Interest on Investments	150,000.00	-	186,141.70	36,141.70
Sewer Service Charges	1,100,000.00	-	1,171,986.61	71,986.61
Cellular Tower Fees	100,509.00	-	115,586.64	15,077.64
Cable Franchise Fees	129,836.79	-	129,836.79	-
Energy Receipts Taxes	660,673.00	-	660,673.00	-
Interlocal - Fair Haven	258,431.74	-	291,276.60	32,844.86
Interlocal - Little Silver	227,172.00	-	227,171.00	(1.00)
Uniform Construction Code Fees	300,000.00	-	409,713.00	109,713.00
Uniform Fire Safety Act	4,579.94	-	12,577.45	7,997.51
Trash Collection Charges	47,200.00	-	48,800.00	1,600.00
Reserve to Pay Bonds & Notes	82,619.63	-	82,619.63	-
Reserve for BAN Interest	34,299.43	-	34,299.43	-
Clean Communities Program	20,688.43	-	20,688.43	-
Alcohol Education and Rehabilitation Fund	1,389.92	-	1,389.92	-
Police Body Armor Grant	1,847.11	-	1,847.11	-
Post Sandy Planning Assistance Grant	93,500.00	-	93,500.00	-
Recycling Tonnage Grant	17,982.92	-	17,982.92	-
Total Miscellaneous Revenues	3,590,729.91	-	3,903,629.57	312,899.66
Receipts From Delinquent Taxes	400,000.00	-	406,549.74	6,549.74
Amount To Be Raised By Taxes for Support of Municipal Budget	11,277,086.38	-	12,124,895.33	847,808.95
Budget Revenues	17,647,816.29	-	18,815,074.64	1,167,258.35
Non-Budget Revenue	-	-	155,624.20	155,624.20
	<u>\$ 17,647,816.29</u>	<u>\$ -</u>	<u>\$ 18,970,698.84</u>	<u>\$ 1,322,882.55</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 49,356,380.48
Allocated To School and County Taxes	<u>38,219,552.38</u>
Balance for Support of Municipal Budget Appropriations	11,136,828.10
Add: Appropriation "Reserve for Uncollected Taxes"	<u>988,067.23</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 12,124,895.33</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 406,549.74
	<u>\$ 406,549.74</u>

Fees & Permits:

Street Openings	\$ 31,384.75
Grading Plans	33,400.00
Police Department	1,136.22
Boat Launching Permits	41,870.00
Garage Sale Permits	630.00
Marriage Registrar Fees	102.00
Variances	14,177.50
Vital Statistics	2,570.00
200' List of Names	375.00
Tree Removal Permit	7,920.00
Sewer Disconnect Fees	19,250.00
Zoning Permit Fees	10,575.00
Landscaper Permits	<u>7,695.00</u>
	<u><u>\$ 171,085.47</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

Analysis of Realized Revenues (continued):

Analysis of Non-Budget Revenue

NSF Check Fees	\$	461.00
Recycling Receipts		7,675.73
Prior Year Budget Refund		59.75
Copy Fees		36.13
FEMA Receipts		103,526.09
Outside Work Admin Fee		32,685.00
DMV Inspection Fees		550.00
Other Miscellaneous Fees		<u>10,630.50</u>
	\$	<u><u>155,624.20</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
General Appropriations						
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 178,817.00	\$ 178,817.00	\$ 174,993.07	\$ -	\$ 3,823.93	\$ -
Other Expenses	160,000.00	160,000.00	79,642.98	45,961.24	34,395.78	-
Municipal Clerk:						
Salaries and Wages	171,114.00	171,114.00	167,143.64	-	3,970.36	-
Other Expenses	10,000.00	10,000.00	6,275.00	1,746.00	1,979.00	-
Elections	3,000.00	3,000.00	1,718.07	800.00	481.93	-
Financial Administration (Treasury):						
Salaries and Wages	123,207.00	123,207.00	122,558.33	-	648.67	-
Other Expenses	20,000.00	20,000.00	6,640.94	200.00	13,159.06	-
Audit Services:						
Other Expenses	43,000.00	43,000.00	41,615.00	-	1,385.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	80,324.00	80,324.00	72,823.92	-	7,500.08	-
Other Expenses	15,000.00	15,000.00	8,189.87	-	6,810.13	-
Tax Assessment Administration:						
Salaries and Wages	39,140.00	39,140.00	39,140.00	-	-	-
Other Expenses	38,000.00	68,000.00	16,181.57	42,352.78	9,465.65	-

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Records Retention and Disposal:						
Other Expenses	2,500.00	2,500.00	-	1,000.00	1,500.00	-
Legal Services (Legal Department):						
Other Expenses	195,000.00	195,000.00	106,119.40	32,531.50	56,349.10	-
Engineering Services:						
Salaries and Wages	150,000.00	150,000.00	112,500.00	-	37,500.00	-
Other Expenses	125,000.00	125,000.00	33,033.61	65,591.50	26,374.89	-
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	13,302.00	13,302.00	13,302.00	-	-	-
Other Expenses	7,500.00	7,500.00	3,741.54	850.00	2,908.46	-
Zoning Board of Adjustment:						
Salaries and Wages	13,302.00	13,302.00	13,302.00	-	-	-
Other Expenses	9,200.00	9,200.00	6,302.07	1,925.00	972.93	-
Zoning Enforcement Officer:						
Salaries and Wages	45,714.00	45,714.00	45,714.00	-	-	-
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	17,381.00	17,381.00	9,381.00	-	8,000.00	-
Plumbing Inspector:						
Salaries and Wages	15,891.00	15,891.00	15,891.00	-	-	-
Electrical Inspection:						
Salaries and Wages	31,721.00	31,721.00	30,340.77	-	1,380.23	-

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Fire Protection Official:						
Salaries and Wages	5,487.00	5,487.00	5,487.00	-	-	-
Fire Sub-Code Official:						
Salaries and Wages	8,916.00	8,916.00	8,916.00	-	-	-
Construction Code Official:						
Salaries and Wages	150,085.00	150,085.00	136,779.52	-	13,305.48	-
Other Expenses	18,485.00	18,485.00	11,119.73	238.40	7,126.87	-
Uniform Fire Safety:						
Other Expenses	4,579.94	4,579.94	599.67	-	3,980.27	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	2,030,000.00	2,030,000.00	1,968,803.68	-	61,196.32	-
Other Expenses	140,000.00	140,000.00	94,398.43	13,401.09	32,200.48	-
Purchase of Police Vehicles	80,000.00	80,000.00	30,354.00	355.00	49,291.00	-
Police Dispatch/911:						
Salaries and Wages	200,000.00	200,000.00	180,325.56	-	19,674.44	-
Annual Charge - 911 System	6,000.00	6,000.00	5,416.73	-	583.27	-
Aid To Volunteer Fire Companies:						
Other Expenses	16,236.00	16,236.00	16,236.00	-	-	-
Aid To First Aid Organization:						
Salaries and Wages	5,381.00	5,381.00	5,381.00	-	-	-
Other Expenses	30,000.00	32,500.00	28,589.25	3,024.49	886.26	-
Aid	8,118.00	8,118.00	8,118.00	-	-	-

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Fire Department:						
Salaries and Wages	10,157.00	10,157.00	10,157.00	-	-	-
Other Expenses	20,000.00	25,000.00	21,011.60	3,049.15	939.25	-
Municipal Prosecutor's Office:						
Salaries and Wages	14,340.00	14,340.00	12,630.00	-	1,710.00	-
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	1,200,775.00	1,200,775.00	1,154,937.78	-	45,837.22	-
Other Expenses	130,000.00	130,000.00	80,628.65	38,551.18	10,820.17	-
Sewer System:						
Salaries and Wages	167,777.00	167,777.00	148,198.93	-	19,578.07	-
Other Expenses	80,000.00	80,000.00	33,929.15	6,515.71	39,555.14	-
Shade Tree Commission:						
Other Expenses	25,000.00	25,000.00	14,912.00	9,400.00	688.00	-
Storm Drain Cleaning	1,000.00	1,000.00	-	-	1,000.00	-
Stormwater Management	1,000.00	1,000.00	-	-	1,000.00	-
Solid Waste Collection:						
Contractual	314,000.00	314,000.00	300,916.53	13,083.47	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Buildings and Grounds:						
Salaries and Wages	51,797.00	51,797.00	49,789.61	-	2,007.39	-
Other Expenses	56,000.00	56,000.00	29,703.48	6,668.43	19,628.09	-
Property Lease	6,000.00	6,000.00	5,386.65	-	613.35	-
Vehicle Maintenance (Including Police Vehicles):						
Other Expenses	122,500.00	122,500.00	85,667.29	9,254.76	27,577.95	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	8,101.00	8,101.00	8,101.00	-	-	-
Contracted Services	52,892.00	52,892.00	52,892.00	-	-	-
Other Expenses	1,200.00	1,700.00	1,179.00	-	521.00	-
Animal Control Services:						
Salaries and Wages	4,709.00	4,709.00	4,709.00	-	-	-
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	81,702.00	81,702.00	76,874.54	-	4,827.46	-
Other Expenses	20,000.00	20,000.00	20,000.00	-	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Municipal Court:						
Salaries and Wages	65,900.00	65,900.00	49,189.84	-	16,710.16	-
Other Expenses	10,028.00	10,028.00	6,076.34	662.50	3,289.16	-
Public Defender:						
Salaries and Wages	2,641.00	2,641.00	2,641.00	-	-	-
Board of Health:						
Hepatitis B Vaccine Costs	500.00	500.00	-	-	500.00	-
Visiting Nurse Services - Contractual	1,000.00	1,000.00	750.00	250.00	-	-
INSURANCE						
General Liability	413,000.00	375,000.00	298,517.00	-	76,483.00	-
Employee Group Health	1,776,000.00	1,776,000.00	1,506,787.98	-	269,212.02	-
Waiver of Insurance	42,500.00	42,500.00	37,450.45	-	5,049.55	-
Homeland Security (NJS A 40A:4-45.3(pp))						
Office of Emergency Management:						
Other Expenses	15,000.00	15,000.00	1,722.44	6,500.00	6,777.56	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	150,000.00	150,000.00	107,425.61	-	42,574.39	-
Street Lighting	65,000.00	65,000.00	50,534.01	250.00	14,215.99	-
Telephone (excluding telephone acquisition)	20,000.00	20,000.00	14,316.22	100.00	5,583.78	-
Water	45,000.00	45,000.00	44,037.50	-	962.50	-
Fire Hydrants	115,000.00	115,000.00	103,188.80	9,380.81	2,430.39	-
Gas (natural or propane)	25,000.00	25,000.00	12,171.13	1,119.59	11,709.28	-
Gasoline	150,000.00	150,000.00	60,279.12	-	89,720.88	-
Landfill/Solid Waste Disposal Costs	500,000.00	500,000.00	361,906.57	73,254.98	64,838.45	-
Accumulated Sick Leave	10,570.00	10,570.00	10,570.00	-	-	-
Total Operations - Within "CAPS"	9,987,489.94	9,987,489.94	8,406,262.57	388,017.58	1,193,209.79	-
Contingent	5,000.00	5,000.00	1,683.18	-	3,316.82	-
Total Operations Including Contingent - Within "CAPS"	9,992,489.94	9,992,489.94	8,407,945.75	388,017.58	1,196,526.61	-
Detail:						
Salaries and Wages	4,887,681.00	4,887,681.00	4,640,011.19	-	247,669.81	-
Other Expenses (Including Contingent)	5,104,808.94	5,104,808.94	3,767,934.56	388,017.58	986,356.80	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
STATUTORY EXPENDITURES						
Contribution To:						
Public Employees' Retirement System	312,245.00	312,245.00	312,245.00	-	-	-
Social Security System (O.A.S.I.)	262,650.00	262,650.00	258,461.87	-	4,188.13	-
Police and Firemen's Retirement System	453,185.00	453,185.00	453,182.00	-	3.00	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,028,080.00	1,028,080.00	1,023,888.87	-	4,191.13	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	11,020,569.94	11,020,569.94	9,431,834.62	388,017.58	1,200,717.74	-
Expenditures - Excluded From "CAPS":						
Aid To Oceanic Library (N.J.S.A. 40:54-35)	75,000.00	75,000.00	75,000.00	-	-	-
Sewer Authority - Share of Cost	756,776.00	756,776.00	734,456.00	22,320.00	-	-
LOSAP	40,000.00	40,000.00	-	29,900.00	10,100.00	-
Reserve for Tax Appeals	117,000.00	117,000.00	31,784.72	-	85,215.28	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Fair Haven Shared Service Agreement:						
Construction Office:						
Salaries and Wages	126,366.00	126,366.00	123,023.99	-	3,342.01	-
Other Expenses	13,185.00	13,185.00	8,805.06	-	4,379.94	-
Fair Haven Shared Service Agreement:						
Parks & Grounds:						
Other Expenses	44,000.00	44,000.00	26,871.90	-	17,128.10	-
Fair Haven Shared Service Agreement:						
Municipal Court						
Salaries and Wages	41,483.74	41,483.74	32,737.56	-	8,746.18	-
Other Expenses	3,100.00	3,100.00	2,917.10	162.50	20.40	-
Little Silver Shared Service Agreement:						
Construction Office:						
Salaries and Wages	166,722.00	166,722.00	162,075.70	-	4,646.30	-
Other Expenses	18,330.00	18,330.00	8,367.09	-	9,962.91	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
Matching for Grants	5,000.00	5,000.00	-	-	5,000.00	-
Recycling Tonnage Grant	17,982.92	17,982.92	17,982.92	-	-	-
Clean Communities Program	20,688.43	20,688.43	20,688.43	-	-	-
Police Body Armor Grant	1,847.11	1,847.11	1,847.11	-	-	-
Alcohol Education Rehab	1,389.92	1,389.92	1,389.92	-	-	-
Post Sandy Planning Assistance Grant	93,500.00	93,500.00	93,500.00	-	-	-
Total Operations - Excluded From "CAPS"	1,542,371.12	1,542,371.12	1,341,447.50	52,382.50	148,541.12	-
Detail:						
Salaries and Wages	334,571.74	334,571.74	317,837.25	-	16,734.49	-
Other Expenses	1,207,799.38	1,207,799.38	1,023,610.25	52,382.50	131,806.63	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	1,896,553.00	1,896,553.00	1,896,553.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	1,896,553.00	1,896,553.00	1,896,553.00	-	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	775,000.00	775,000.00	775,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	1,007,949.00	1,007,949.00	1,007,949.00	-	-	-
Interest on Bonds	306,000.00	306,000.00	304,513.76	-	-	1,486.24
Interest on Notes	60,300.00	60,300.00	59,867.24	-	-	432.76
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	51,006.00	51,006.00	51,005.52	-	-	0.48
Total Municipal Debt Service - Excluded From "CAPS"	2,200,255.00	2,200,255.00	2,198,335.52	-	-	1,919.48
Total General Appropriations - Excluded From "CAPS"	5,639,179.12	5,639,179.12	5,436,336.02	52,382.50	148,541.12	1,919.48
Subtotal General Appropriations	16,659,749.06	16,659,749.06	14,868,170.64	440,400.08	1,349,258.86	1,919.48
Reserve for Uncollected Taxes	988,067.23	988,067.23	988,067.23	-	-	-
Total General Appropriations	\$ 17,647,816.29	\$ 17,647,816.29	\$ 15,856,237.87	\$ 440,400.08	\$ 1,349,258.86	\$ 1,919.48

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Adopted Budget	\$ 17,647,816.29					
<u>Analysis of Paid or Charged</u>		\$ 17,647,816.29				
Reserve for Uncollected Taxes			988,067.23			
Reserve for Grant Expenditures - Appropriated			135,408.38			
Cash Disbursements			<u>14,732,762.26</u>			
			<u>\$ 15,856,237.87</u>			

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

ASSETS	REFERENCE	2016	2015
Animal Control Fund:			
Cash	B-2	\$ 20,564.89	\$ 15,978.99
Total Animal Control Fund		<u>20,564.89</u>	<u>15,978.99</u>
Trust - Other Funds			
Cash - Treasurer	B-2	3,067,819.22	2,942,771.49
Total Trust Other Fund		<u>3,067,819.22</u>	<u>2,942,771.49</u>
Recreation Commission:			
Cash - Treasurer	B-2	403,367.95	379,159.72
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-9	350,288.28	328,892.11
Total Assets		<u>\$ 3,842,040.34</u>	<u>\$ 3,666,802.31</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 20,564.89	\$ 15,978.99
Total		<u>20,564.89</u>	<u>15,978.99</u>
Trust - Other Funds:			
Reserve for:			
Various Trust Funds	B-5	3,062,224.36	2,937,176.63
Special Assessment	B-6	2,613.00	2,613.00
Payroll Deductions Payable	B-7	2,981.86	2,981.86
Total		<u>3,067,819.22</u>	<u>2,942,771.49</u>
Recreation Commission:			
Fund Balance	B-1	403,367.95	379,159.72
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-11	350,288.28	328,892.11
Total		<u>\$ 3,842,040.34</u>	<u>\$ 3,666,802.31</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND - RECREATION COMMISSION
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 379,159.72
Increased By:	
Cash Receipts	<u>452,142.26</u>
	831,301.98
Decreased By:	
Operating Expenses	<u>427,934.03</u>
Balance, December 31, 2016	<u><u>\$ 403,367.95</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Cash	C-2 , C-3	\$ 3,771,230.16	\$ 1,624,309.32
Deferred Charges to Future Taxation:			
Funded	C-5	9,554,310.79	10,370,905.15
Unfunded	C-6	4,181,915.83	5,189,864.83
Due From FEMA Pumping Station	C-15	210,000.00	210,000.00
Due From Current Fund	C-16	-	1,007,683.06
		<u> </u>	<u> </u>
Total Assets		<u>\$ 17,717,456.78</u>	<u>\$ 18,402,762.36</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-7	\$ 9,115,000.00	\$ 9,890,000.00
Bond Anticipation Notes	C-8	2,994,318.00	4,002,267.00
Green Acres Loan Payable	C-9	439,310.79	480,905.15
Due to State of New Jersey	C-4	133.00	133.00
Due to Current Fund	C-16	86.72	-
Improvement Authorizations:			
Funded	C-10	1,703,699.52	8,259.78
Unfunded	C-10	614,039.55	1,095,555.22
Encumbrances Payable	C-10	238,989.97	516,814.60
Retained Percentage Due to Contractors	C-11	84.00	84.00
Capital Improvement Fund	C-12	2,395,649.43	2,299,096.43
Reserve for Pay Bonds	C-13	189,703.01	83,204.39
Fund Balance	C-1	26,442.79	26,442.79
		<u> </u>	<u> </u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 17,717,456.78</u>	<u>\$ 18,402,762.36</u>

There were Bonds & Notes Authorized but not issued on December 31, 2016 of \$1,187,597.83 and on December 31, 2015 was \$1,187,597.83.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

Balance, December 31, 2016 & 2015

\$ 26,442.79

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

Assets	REFERENCE	<u>2016</u>	<u>2015</u>
Land	D-1	\$ 4,948,200.00	\$ 4,948,200.00
Buildings	D-1	1,885,215.00	1,885,215.00
Equipment	D-1	6,435,328.84	6,331,236.84
Improvements	D-1	<u>4,400,750.75</u>	<u>4,400,750.75</u>
Total Assets		<u>\$ 17,669,494.59</u>	<u>\$ 17,565,402.59</u>
Fund Balance			
Investment in Fixed Assets	D-1	<u>\$ 17,669,494.59</u>	<u>\$ 17,565,402.59</u>
Total Fund Balance		<u>\$ 17,669,494.59</u>	<u>\$ 17,565,402.59</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This page intentionally left blank

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Rumson, County of Monmouth, New Jersey ("Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component Units

The Borough of Rumson had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Rumson contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Rumson accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

General Fixed Asset Account Group – The Fixed Asset Account Group accounts for all assets used in government operations.

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Borough of Rumson must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough of Rumson requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Charges – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Borough of Rumson School District and the Rumson-Fair Haven Regional High School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Rumson School District and its share of the Rumson-Fair Haven Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Borough's share of the regional school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes – The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Post-employment Benefits – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

Subsequent Events - The Borough of Rumson has evaluated subsequent events occurring after December 31, 2016 through the date of May 22, 2017, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Borough implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Borough is required to measure certain investments at fair value for financial reporting purposes. In addition, the Borough is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Borough’s financial statements.

The Borough implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Borough’s financial statements.

BOROUGH OF RUMSON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued):

The Borough implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Borough's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Borough's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 2. Cash and Cash Equivalents

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 26,667,330.00</u>
Total Deposits	<u><u>\$ 26,667,330.00</u></u>
The Borough's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 19,404,347.78
Trust Other Fund	3,067,819.22
Trust - Recreation	403,367.95
Animal Control Fund	20,564.89
Capital Fund	<u>3,771,230.16</u>
Total Cash and Cash Equivalents	<u><u>\$ 26,667,330.00</u></u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2016, the Borough's bank balance of \$26,813,278.07 was insured or collateralized as follows:

Insured	\$ 500,000.00
Uninsured and uncollateralized	701,237.84
Collateralized in the District's Name Under GUDPA	<u>25,612,040.24</u>
Total	<u><u>\$26,813,278.08</u></u>

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3: Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty's trust department or agent but no in the Borough name. As of December 31, 2016 the Borough's balance of investments was \$350,288.28, which consisted of mutual funds for the Borough's Length of Service Awards Program in the amount of \$350,288.28, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Borough may purchase. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2016 balance of \$350,288.28, \$350,288.28 is recorded in the Trust Fund – LOSAP.

Note 4. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	<u>\$ 1.433</u>	<u>\$ 1.453</u>	<u>\$ 1.457</u>
Apportionment of Tax Rate:			
Municipal	0.327	0.329	0.322
County	0.290	0.306	0.315
Local School	0.448	0.446	0.446
Regional School	0.368	0.372	0.374

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 4. Property Taxes (continued):

Net Valuation Taxable

2016	<u>\$ 3,448,408,950.00</u>	
2015		<u>\$ 3,359,860,332.00</u>
2014		<u>\$ 3,285,349,130.00</u>

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage of Collection
2016	\$ 49,875,004.23	\$ 49,356,380.48	98.96%
2015	49,410,732.43	48,959,713.21	99.09%
2014	48,286,800.54	47,883,352.50	99.16%

Delinquent Taxes and Tax Title Liens

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2016	\$ -	\$ 431,561.66	\$ 431,561.66	0.87%
2015	\$ -	455,558.78	455,558.78	0.92%
2014	-	390,827.80	390,827.80	0.81%

Note 5. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Borough's individual major and fiduciary funds, in the aggregate, are as follows:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 5. Accounts Receivable (continued):

	Current Fund	State & Federal Grant Fund	General Capital Fund	Total
State Aid	\$ -	\$ 158,613.97	\$ -	\$ 158,613.97
Federal Aid	-	-	210,000.00	210,000.00
Taxes	431,561.66	-	-	431,561.66
Sewer	31,779.40	-	-	31,779.40
Other	2,616.86	-	-	2,616.86
Total	\$ 465,957.92	\$ 158,613.97	\$ 210,000.00	\$ 834,571.89

Note 6. General Fixed Assets

Fixed Assets activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	6,331,236.84	104,092.00	-	6,435,328.84
Improvements	4,400,750.75	-	-	4,400,750.75
Total Fixed Assets	\$ 17,565,402.59	\$ 104,092.00	\$ -	\$ 17,669,494.59

Note 7. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
Current Fund			
2016	\$ 4,965,837.65	\$ 2,580,000.00	51.95%
2015	5,919,656.91	2,380,000.00	40.21%
2014	8,092,052.73	2,205,469.00	27.25%
2013	7,545,180.90	1,580,000.00	20.94%
2012	6,009,882.07	1,422,600.00	23.67%

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 8. Interfund Receivables and Payables

Individual fund receivables/payables balances at December 31, 2016 are as follows:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ 86.72	\$ 158,613.97
State & Federal Grant Fund	158,613.97	-
General Capital Fund	-	86.72
	\$ 158,700.69	\$ 158,700.69
Total	\$ 158,700.69	\$ 158,700.69

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 1,007,769.78	\$ 86,279.28
State & Federal Grant Fund	86,279.28	-
General Capital	-	1,007,769.78
	\$ 1,094,049.06	\$ 1,094,049.06
	\$ 1,094,049.06	\$ 1,094,049.06

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$11,055,162.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .00373%, which was an increase of .00157% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	3,173,006.00	1,053,499.00
Deferred Inflows of Resources	163,348.00	338,719.00
Net Pension Liability	11,055,162.00	8,025,748.00
Municipality's Portion of the Plan's Total		
Net Pension Liability	0.03733%	0.03576%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 205,593.00	\$ -
Changes of Assumptions	2,290,039.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	421,543.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	255,831.00	163,348.00
	\$ 3,173,006.00	\$ 163,348.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

Year Ending	
<u>Dec 31,</u>	<u>PERS</u>
2017	\$ 658,130.00
2018	658,130.00
2019	759,061.00
2020	664,201.00
2021	270,136.00
	\$ 3,009,658.00

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
---------------------	--------------------------	---------------------

Municipality's Proportionate Share of the Net Pension Liability	\$ 13,546,810.67	\$ 11,055,162.00	\$ 8,998,089.98
--------------------------------------------------------------------	------------------	------------------	-----------------

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$462,261.00 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$10,830,281.00. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .05670%, which was an increase of .00095% from its proportion measured as of June 30, 2015.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Collective Balances at December 31, 2016 & December 31, 2015

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	2,630,653.00	2,052,264.00
Deferred Inflows of Resources	249,633.00	476,711.00
Net Pension Liability	10,830,281.00	9,286,368.00
 Municipality's Portion of the Plan's Total Net Pension Liability	 0.05670%	 0.05575%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 70,994.00
Changes of Assumptions	1,500,083.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	758,856.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>371,714.00</u>	<u>178,639.00</u>
	<u>\$ 2,630,653.00</u>	<u>\$ 249,633.00</u>

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

Year Ending		
<u>Dec 31,</u>	<u>PFRS</u>	
2017	\$	562,714.00
2018		562,714.00
2019		731,747.00
2020		462,223.00
2021		<u>61,622.00</u>
		<u>\$ 2,381,020.00</u>

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the net pension liability attributable to the Municipality is \$909,475.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .05670%, which was an increase of .00095% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality's.

Municipality's Proportionate Share of the Net Pension Liability	\$ 10,830,281.00
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	<u>909,475.00</u>
Total Net Pension Liability	<u><u>\$ 11,739,756.00</u></u>

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$1,317,166.00.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	<u>PFRS</u>
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
---------------------	--------------------------	---------------------

Municipality's proportionate share of the
Net Pension Liability and the State's

Proportionate Share of the Net Pension

Liability associated with the Municipality	\$ 15,137,554.55	\$ 11,739,756.00	\$ 8,969,055.67
--------------------------------------------	------------------	------------------	-----------------

Note 10. Post-Employment Retirement Benefits

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 24, 1981, the Borough authorized participation in the SHBP’s post-retirement benefit program through resolution number 78-2-24-81. Eligibility to participate in the SHBP’s post-retirement benefit program begins after 25 years of credited service with the Borough. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 10. Post-Employment Retirement Benefits (continued):

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Borough's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014 were \$1,506,787.98, \$1,606,827.45, and \$1,489,421.32, respectively, which equaled the required contributions for each year. There were approximately 37, 37, and 37 retired participants eligible at December 31, 2016, 2015, and 2014, respectively.

Note 11. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued):

	<u>Summary of Debt</u>		
Issued	Year 2016	Year 2015	Year 2014
Bonds, Notes & Loans	\$ 12,548,628.79	\$ 14,373,172.15	\$ 15,861,674.93
Less:			
Reserve to Pay Bonds	(189,703.01)	(83,204.39)	(36,547.45)
Authorized but Not Issued	1,187,597.83	1,187,597.83	654,502.83
Total Net Debt	<u>\$ 13,546,523.61</u>	<u>\$ 15,477,565.59</u>	<u>\$ 16,479,630.31</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.402%:

	Gross Debt	Deductions	Net Debt
School Purpose Debt	\$ 6,592,094.25	\$ (6,592,094.25)	-
General	13,736,226.62	(189,703.01)	13,546,523.61
Total	<u>\$ 20,328,320.87</u>	<u>\$ (6,781,797.26)</u>	<u>\$ 13,546,523.61</u>

Net Debt \$13,546,523.61 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$3,367,399,188.33 equals 0.402%.

Borrowing Power Under N.J.S.A.40A:2-6 As Amended

3½ % of Equalized Valuation Basis (Municipal)	\$ 117,858,971.59
Net Debt	<u>13,546,523.61</u>
Remaining Borrowing Power	<u>\$ 104,312,447.98</u>

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued):

A. Serial Bonds Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

<u>General Capital</u>			
Year	Principal	Interest	Total
2017	825,000.00	278,376.25	1,103,376.25
2018	845,000.00	250,738.75	1,095,738.75
2019	920,000.00	225,388.75	1,145,388.75
2020	455,000.00	193,488.75	648,488.75
2021	445,000.00	184,388.75	629,388.75
2022-2026	2,530,000.00	647,793.75	3,177,793.75
2027-2031	2,600,000.00	270,063.75	2,870,063.75
2032	495,000.00	13,612.50	508,612.50
Total	<u>\$ 9,115,000.00</u>	<u>\$ 2,063,851.25</u>	<u>\$ 11,178,851.25</u>

B. Loans Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

<u>Green Acres Loan</u>			
Year	Principal	Interest	Total
2017	\$ 42,430.40	\$ 8,575.12	\$ 51,005.52
2018	43,283.26	7,722.26	51,005.52
2019	44,153.25	6,852.27	51,005.52
2020	45,040.73	5,964.80	51,005.53
2021	45,946.05	5,059.47	51,005.52
2022-2026	218,457.10	11,067.76	229,524.86
Total	<u>\$ 439,310.79</u>	<u>\$ 45,241.68</u>	<u>\$ 484,552.47</u>

C. Bond Anticipation Notes

The Borough had \$2,994,318.00 Bond Anticipation Notes outstanding at December 31, 2016. Notes mature August 27, 2017 with interest at 0.50%.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued):

D. Bonds and Notes Authorized But Not Issued

At December 31, 2016, the Rumson, Borough of had \$1,187,597.83 authorized but not issued bonds and notes.

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
General Capital Fund:					
General Serial Bonds	9,890,000.00	-	(775,000.00)	9,115,000.00	825,000.00
Green Trust Loans Payable	480,905.15	-	(41,594.36)	439,310.79	42,430.40
Bond Anticipation Notes	4,002,267.00	2,994,318.00	(4,002,267.00)	2,994,318.00	2,994,318.00
Authorized but Not Issued	1,187,597.83	-	-	1,187,597.83	-
Total General Capital	15,560,769.98	2,994,318.00	(4,818,861.36)	13,736,226.62	3,861,748.40

Note 12. Deferred School District Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

	<u>Local District</u>		<u>Regional High School</u>	
	2016	2015	2016	2015
Balance of Tax	\$ 5,840,386.76	\$ 5,840,386.79	\$ 5,412,495.11	\$ 5,412,495.11
Deferred	-	1,100,000.00	-	-
Tax Payable	\$ 5,840,386.76	\$ 4,740,386.79	\$ 5,412,495.11	\$ 5,412,495.11

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 13. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Borough to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage. During 2016, The Borough of Rumson was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Governmental Crime Policy is as follows:

Employee Theft - Per Loss Coverage	\$	1,000,000.00
Forgery or Alteration		1,000,000.00
Inside the Premises - Theft of Money and Securities		1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property		1,000,000.00
Computer Fraud		1,000,000.00
Public Employee Dishonesty		1,000,000.00

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Note 14. Deferred Compensation Salary Account

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

BOROUGH OF RUMSON

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 15. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s trust fund for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Borough</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2016	\$ 7,337.01	\$ 14,785.64	\$ 63,597.67
2015	12,570.25	27,809.62	71,046.30
2014	8,098.33	12,530.21	86,285.67

Note 16. Litigation

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17. Subsequent Events

As discussed in Note 1, the Borough has evaluated subsequent events through May 22, 2017, the date the financial statements were available to be issued. No additional disclosures necessary.

This page intentionally left blank.

SUPPLEMENTARY EXHIBITS

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 19,679,440.48
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 155,624.20	
State of New Jersey - Senior Citizens' and Veterans' Deductions	33,615.07	
Taxes Receivable	49,509,883.83	
Sewer Fees Receivable	1,163,077.71	
Revenue Accounts Receivable	2,566,366.74	
Due From:		
Trust - Other Fund	12,045.00	
Due To State of New Jersey:		
Marriage Licenses	875.00	
U.C.C. Fees	28,735.00	
Due To Capital Fund	9,056.82	
Prepaid Taxes	493,642.55	
Reserve for:		
Third Party Liens Payable	36,708.79	
Tax Sale Premiums	159,000.00	
BAN Interest	4,431.59	
Grants Receivable	151,633.82	
Reserve For Grant Expenditures - Unappropriated	1,863.38	
	<u>54,326,559.50</u>	
		<u>74,005,999.98</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Decreased By Disbursements:		
2016 Budget Appropriations	14,732,762.26	
2015 Appropriation Reserves	290,239.67	
Accounts Payable	9,672.60	
Due From Trust - Other Fund	12,045.00	
Tax Overpayments	88,747.97	
Due To State of New Jersey:		
Marriage Licenses	950.00	
U.C.C. Fees	28,953.00	
Due To Capital Fund	1,016,826.60	
Third Party Liens Payable	36,708.79	
County Taxes	10,102,209.85	
Local District School Taxes	15,467,271.00	
Regional District School Taxes	12,681,878.00	
Reserve For:		
Tax Sale Premiums	23,000.00	
Tax Appeals	43,469.54	
Grant Expenditures - Appropriated	67,217.92	
	<u>54,601,952.20</u>	
Balance, December 31, 2016		<u><u>\$ 19,404,047.78</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY -
 SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 8,108.03
Increased By:		
Cash Receipts	\$ 33,615.07	
Senior Citizens' Deductions Per Tax Billing	250.00	
Veterans' Deductions Per Tax Billing	<u>1,134.93</u>	
		<u>35,000.00</u>
		43,108.03
Decreased By:		
Senior Citizens' Deductions Per Tax Billing	1,000.00	
Veterans' Deductions Per Tax Billing	500.00	
Deductions Allowed By Collector	<u>33,500.00</u>	
		<u>35,000.00</u>
Balance, December 31, 2016		<u><u>\$ 8,108.03</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Year	Balance December 31, 2015	2016 Levy	Added Taxes	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Cancellations	Balance December 31, 2016
				2015	2016			
2015	\$ 455,558.78	\$ -	\$ -	\$ -	\$ 406,549.74	\$ (384.93)	\$ 49,393.97	\$ -
2016	-	49,415,701.74	459,302.49	346,285.22	48,976,095.26	34,000.00	87,062.09	431,561.66
	\$ 455,558.78	\$ 49,415,701.74	\$ 459,302.49	\$ 346,285.22	\$ 49,382,645.00	\$ 33,615.07	\$ 136,456.06	\$ 431,561.66

Analysis of 2016 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 49,415,701.74
Added Taxes (54:4-63 et seq.)	459,302.49
	<u>\$ 49,875,004.23</u>
Tax Levy:	
Regional High School Taxes	\$ 12,681,878.00
Local District School Taxes	15,467,271.00
County Taxes	\$ 8,860,090.75
County Library Taxes	608,172.74
County Open Space Taxes	508,862.84
Added/Omitted County Taxes	<u>93,277.05</u>
	10,070,403.38
Local Taxes for Municipal Purposes	11,277,086.38
Add: Additional Taxes Levied	<u>378,365.47</u>
	11,655,451.85
	<u>\$ 49,875,004.23</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SEWER FEES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 37,199.54
Increased By:		
Billings - Net		<u>1,166,566.47</u>
		1,203,766.01
Decreased By:		
Cash Receipts	\$ 1,163,077.71	
Overpayments Applied	<u>8,908.90</u>	
		<u>1,171,986.61</u>
Balance, December 31, 2016		<u><u>\$ 31,779.40</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, <u>2015</u>	Accrued <u>2016</u>	Cash <u>Receipts</u>	Balance December 31, <u>2016</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 35,424.00	\$ 35,424.00	\$ -
Fees and Permits:				
Other	-	171,085.47	171,085.47	-
Fines and Costs:				
Municipal Court	5,119.42	59,573.64	62,076.20	2,616.86
Interest and Cost on Taxes	-	128,953.67	128,953.67	-
Interest on Investments	-	186,141.70	186,141.70	-
Cellular Tower Fees	-	115,586.64	115,586.64	-
Cable Franchise Fees	-	129,836.79	129,836.79	-
Energy Receipts Taxes	-	660,673.00	660,673.00	-
Interlocal - Fair Haven	-	291,276.60	291,276.60	-
Interlocal - Little Silver	-	227,171.00	227,171.00	-
Uniform Construction Code Fees	-	409,713.00	409,713.00	-
Uniform Fire Safety Act	-	12,577.45	12,577.45	-
Trash Collection Charges	-	48,800.00	48,800.00	-
Reserve to Pay Bonds & Notes	-	82,619.63	82,619.63	-
Reserve to Pay BAN Interest	-	4,431.59	4,431.59	-
	<u>\$ 5,119.42</u>	<u>\$ 2,563,864.18</u>	<u>\$ 2,566,366.74</u>	<u>\$ 2,616.86</u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE TO TRUST - OTHER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	-
Increased By:		
Cash Receipts		12,045.00
		<u>12,045.00</u>
Decreased By:		
Cash Disbursements		12,045.00
		<u>12,045.00</u>
Balance, December 31, 2016	\$	<u><u>-</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>December 31, 2015</u>		<u>Budget after</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbrances</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Other Expenses	\$ 7,428.22	\$ 9,103.03	\$ 16,531.25	\$ 6,652.02	\$ 9,879.23
Mayor and Council:					
Newsletter	8,420.00	460.00	8,880.00	460.00	8,420.00
Municipal Clerk:					
Salaries and Wages	0.02	-	0.02	-	0.02
Other Expenses	4,185.00	-	4,185.00	-	4,185.00
Elections	340.25	800.00	1,140.25	800.00	340.25
Financial Administration (Treasury):					
Salaries and Wages	4,447.14	-	4,447.14	-	4,447.14
Other Expenses	3,979.33	119.94	4,099.27	119.94	3,979.33
Audit Services:					
Other Services	550.00	650.00	1,200.00	650.00	550.00
Revenue Administration (Tax Collection):					
Salaries and Wages	0.02	-	0.02	-	0.02
Other Expenses	3,741.19	1,150.00	4,891.19	949.98	3,941.21
Tax Assessment Administration:					
Salaries and Wages	43.00	-	43.00	-	43.00
Other Expenses	24,735.25	11,019.26	30,754.51	30,452.00	302.51
Legal Services (Legal Department):					
Other Expenses	-	16,522.44	36,522.44	18,625.00	17,897.44
Engineering Services:					
Other Expenses	28,749.00	9,406.74	38,155.74	17,448.96	20,706.78
Records Retention and Disposal					
Other Expenses	2,500.00	-	2,500.00	-	2,500.00
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	754.12	-	754.12	-	754.12
Other Expenses	58.11	378.00	436.11	377.00	59.11
Zoning Board of Adjustment:					
Salaries and Wages	754.12	-	754.12	-	754.12
Other Expenses	961.41	153.68	1,115.09	148.56	966.53
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	22,803.00	-	22,803.00	-	22,803.00
Plumbing Inspector:					
Salaries and Wages	833.28	-	833.28	-	833.28
Electrical Inspection:					
Salaries and Wages	6,536.94	-	6,536.94	-	6,536.94
Fire Protection Official					
Salaries and Wages	0.08	-	0.08	-	0.08
Uniform Fire Safety:					
Other Expenses	3,088.35	-	3,088.35	-	3,088.35
Construction Code Official:					
Salaries and Wages	23,674.06	-	23,674.06	-	23,674.06
Other Expenses	132.27	11,579.02	11,711.29	11,513.84	197.45

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	December 31, 2015		Budget after Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbrances			
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	122,398.89	-	107,398.89	2,495.50	104,903.39
Other Expenses	32,511.79	22,770.21	55,282.00	24,426.97	30,855.03
Purchase of Police Vehicles	69,805.00	195.00	70,000.00	195.00	69,805.00
Police Dispatch/911:					
Salaries and Wages	44,996.12	-	44,996.12	4,208.50	40,787.62
Annual Charge - 911 System	583.27	-	583.27	-	583.27
Aid To First Aid Organization:					
Other Expenses	4,881.69	250.00	5,131.69	186.00	4,945.69
Fire Department:					
Other Expenses	6,326.61	4,060.80	10,387.41	4,060.80	6,326.61
Municipal Prosecutor's Office:					
Salaries and Wages	2,100.00	-	2,100.00	-	2,100.00
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	11,673.59	-	11,673.59	1,409.29	10,264.30
Other Expenses	7,979.01	37,096.96	45,075.97	32,847.85	12,228.12
Sewer System:					
Salaries and Wages	14,718.09	-	14,718.09	617.88	14,100.21
Other Expenses	31,045.36	14,651.64	45,697.00	21,040.68	24,656.32
Shade Tree Commission:					
Other Expenses	1,432.17	1.00	1,433.17	-	1,433.17
Storm Drain Cleaning					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Stormwater Management					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Solid Waste Collection:					
Salaries and Wages	36,221.83	-	36,221.83	-	36,221.83
Other Expenses	563.40	-	563.40	-	563.40
Contractual	3,750.05	13,083.33	16,833.38	13,083.33	3,750.05
Recycling:					
Salaries and Wages	4,205.10	-	4,205.10	739.57	3,465.53
Other Expenses	11.40	-	11.40	-	11.40
Buildings and Grounds:					
Salaries and Wages	1,282.67	-	1,282.67	-	1,282.67
Other Expenses	15,525.89	1,563.87	17,089.76	367.03	16,722.73
Property Lease	538.17	-	538.17	-	538.17
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	35,584.05	19,587.21	55,171.26	20,430.55	34,740.71
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health)					
Other Expenses	397.00	-	397.00	-	397.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	December 31, 2015		Budget after Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbrances			
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	1,825.22	-	1,825.22	-	1,825.22
Senior Citizen Transportation:					
Other Expenses	1,038.00	-	1,038.00	-	1,038.00
Municipal Court:					
Salaries and Wages	17,755.90	-	17,755.90	72.01	17,683.89
Other Expenses	960.60	1,544.00	2,504.60	555.22	1,949.38
Public Defender:					
Salaries and Wages	0.12	-	0.12	-	0.12
Board of Health:					
Hepatitis B Vaccine Costs	500.00	-	500.00	-	500.00
VNA Contract	-	250.00	250.00	250.00	-
INSURANCE					
General Liability	45,800.24	-	45,800.24	-	45,800.24
Employee Group Health	184,262.32	30,679.21	214,941.53	-	214,941.53
Waiver Insurance	3,538.50	-	3,538.50	-	3,538.50
Homeland Security (NJSA 40A:4-45.3(pp))					
Office of Emergency Management:					
Other Expenses	11,907.10	-	11,907.10	-	11,907.10
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	32,940.13	(256.33)	32,683.80	10,455.04	22,228.76
Street Lighting	11,615.76	102.15	11,717.91	289.34	11,428.57
Telephone (excluding telephone acquisition)	5,592.38	139.36	5,731.74	-	5,731.74
Water	2,466.11	-	2,466.11	(663.46)	3,129.57
Fire Hydrants	207.20	9,380.80	9,588.00	9,380.80	207.20
Gas (natural or propane)	10,494.38	-	10,494.38	1,534.78	8,959.60
Gasoline	98,253.67	3,095.42	101,349.09	3,095.42	98,253.67
Landfill/Solid Waste Disposal Costs	86,670.98	63,400.98	150,071.96	49,401.22	100,670.74
Contingent	3,046.79	315.00	3,361.79	315.00	3,046.79
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	18,935.07	-	18,935.07	-	18,935.07
Police and Firemen's Retirement System (Retro)	161.21	-	161.21	-	161.21
LOSAP	14,000.00	26,000.00	40,000.00	24,150.00	15,850.00
Sewer Authority - Share of Cost	8,519.00	-	8,519.00	-	8,519.00
Fair Haven Shared Service Agreement:					
Construction Office:					
Salaries and Wages	2,300.54	-	2,300.54	-	2,300.54
Other Expenses	8,281.90	714.00	8,995.90	714.00	8,281.90

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>December 31, 2015</u>		<u>Budget after</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbrances</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
Fair Haven Shared Service Agreement:					
Parks & Grounds:					
Other Expenses	20,417.84	460.99	20,878.83	466.03	20,412.80
Fair Haven Shared Service Agreement:					
Municipal Court:					
Salaries and Wages	5,936.96	-	5,936.96	366.46	5,570.50
Other Expenses	2,272.00	-	2,272.00	2,200.62	71.38
Little Silver Shared Service Agreement:					
Construction Office:					
Other Expenses	12,969.55	299.45	13,269.00	299.45	12,969.55
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Matching for Grants	5,000.00	-	5,000.00	-	5,000.00
	<u>\$ 1,216,914.78</u>	<u>\$ 310,727.16</u>	<u>\$ 1,527,641.94</u>	<u>\$ 317,188.18</u>	<u>\$ 1,210,453.76</u>
Cash Disbursements				\$ 290,239.67	
Accounts Payable				<u>26,948.51</u>	
				<u>\$ 317,188.18</u>	

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 86,861.88
Increased By:	
Appropriation Reserves	<u>26,948.51</u>
	113,810.39
Decreased By:	
Cash Disbursements	<u>9,672.60</u>
Balance, December 31, 2016	<u><u>\$ 104,137.79</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$ 175.00
Increased By:	
Cash Receipts	<u>875.00</u>
	1,050.00
Decreased By:	
Cash Disbursements	<u>950.00</u>
Balance, December 31, 2016	<u><u>\$ 100.00</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - U.C.C. FEES
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$ 5,442.00
Increased By:	
Cash Receipts	<u>28,735.00</u>
	34,177.00
Decreased By:	
Cash Disbursements	<u>28,953.00</u>
Balance, December 31, 2016	<u><u>\$ 5,224.00</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 346,285.22
Increased By:		
Cash Receipts:		
Collection of 2016 Taxes	\$493,642.55	<u>493,642.55</u>
		839,927.77
Decreased By:		
Amount Applied To Taxes Receivable		<u>346,285.22</u>
Balance, December 31, 2016		<u><u>\$ 493,642.55</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 1,944.52
Increased By:	
Overpayment Created	<u>174,747.32</u>
	176,691.84
Decreased By:	
Cash Disbursements	<u>88,747.97</u>
Balance, December 31, 2016	<u><u>\$ 87,943.87</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SEWER FEE OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 6,898.39
Increased By:		
Cash Receipts		<u>11,129.23</u>
		18,027.62
Decreased By:		
Cash Disbursements	209.82	
Overpayments Applied	<u>8,908.90</u>	
		<u>9,118.72</u>
Balance, December 31, 2016		<u><u>\$ 8,908.90</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DRIVE-IN SANITATION OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 800.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF THIRD PARTY LIENS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 28.62
Increased By:	
Cash Receipts	<u>36,708.79</u>
	36,737.41
Decreased By:	
Cash Disbursements	<u>36,708.79</u>
Balance, December 31, 2016	<u><u>\$ 28.62</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 125,083.52
Increased By:		
2016 Tax Levy :		
County Taxes	\$ 8,860,090.75	
County Library Taxes	608,172.74	
County Open Space Taxes	508,862.84	
Due To County for Added/Omitted Taxes	<u>93,277.05</u>	
		<u>10,070,403.38</u>
		10,195,486.90
Decreased By:		
Cash Disbursements		<u>10,102,209.85</u>
Balance, December 31, 2016		<u><u>\$ 93,277.05</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 4,740,386.79	
School Tax Deferred	<u>1,100,000.00</u>	
		\$ 5,840,386.79
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>15,467,271.00</u>
		21,307,657.79
Decreased By:		
Cash Disbursed		<u>15,467,271.00</u>
Balance, December 31, 2016		
School Tax Payable	5,840,386.79	
School Tax Deferred	<u>-</u>	
		<u>\$ 5,840,386.79</u>
 <u>2016 Liability for Local District High School Tax</u>		
Tax Payable, December 31, 2016	\$ 5,840,386.79	
Tax Paid	<u>15,467,271.00</u>	
		\$ 21,307,657.79
Less:		
Tax Payable, December 31, 2015		<u>4,740,386.79</u>
Amount Charged To 2016 Operations		<u>\$ 16,567,271.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 5,412,495.11	\$ 5,412,495.11
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		12,681,878.00
		18,094,373.11
Decreased By:		
Cash Disbursed		12,681,878.00
Balance, December 31, 2016		
School Tax Payable	\$ 5,412,495.11	\$ 5,412,495.11
 <u>2016 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2016	5,412,495.11	
Tax Paid	12,681,878.00	18,094,373.11
Less:		
Tax Payable, December 31, 2015		5,412,495.11
Amount Charged To 2016 Operations		\$ 12,681,878.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PRIOR YEAR CONSTRUCTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 133.50

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 82.82

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 16,477.91

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 233,200.00
Increased By:	
Cash Receipts	<u>159,000.00</u>
	392,200.00
Decreased By:	
Cash Disbursements	<u>23,000.00</u>
Balance, December 31, 2016	<u><u>\$ 369,200.00</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TO PAY SPECIAL EMERGENCY NOTES - SANDY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 0.03

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR BAN INTEREST
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 34,299.43
Increased By:	
Cash Receipts	<u>4,431.59</u>
	38,731.02
Decreased By:	
Realize in 2016 Revenue	<u>34,299.43</u>
Balance, December 31, 2016	<u><u>\$ 4,431.59</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 133,721.09
Decreased By:		
Cash Disbursements	43,469.54	
Overpayments Applied	<u>45,392.91</u>	
		<u>88,862.45</u>
Balance, December 31, 2016		<u><u>\$ 44,858.64</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO BOROUGH OF RED BANK
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 0.02

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ (1,007,683.06)
Increased By:	
Cash Disbursements:	<u>1,016,826.60</u>
	9,143.54
Decreased By:	
Cash Receipts	<u>9,056.82</u>
Balance, December 31, 2016	<u><u>\$ 86.72</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 72,334.69
Increased By:		
Cash Receipts:		
Grants Receivable	\$ 151,633.82	
Grants - Unappropriated	<u>1,863.38</u>	
		<u>153,497.20</u>
		225,831.89
Decreased By:		
Cash Disbursements:		
Grants - Appropriated		<u>67,217.92</u>
Balance, December 31, 2016		<u><u>\$ 158,613.97</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Increased By Revenue Anticipated <u>2016</u>	Cash Received	Transferred from <u>Unappropriated</u>	Balance December 31, <u>2016</u>
State of New Jersey:					
Supplemental Safe Neighborhood Program	\$ 28.00	\$ -	\$ -	\$ -	\$ 28.00
Police Body Armor Grant	-	1,847.11	-	1,847.11	-
Clean Communities Program	-	20,688.43	20,688.43	-	-
Recycling Tonnage Grant	-	17,982.92	17,982.92	-	-
Alcohol Education & Rehabilitation	-	1,389.92	1,389.92	-	-
NJ Department of Transportation - Blackpoint	160,000.00	-	-	-	160,000.00
Federal:					
Assistance to Firefighters Grant	1,426.00	-	-	-	1,426.00
Sandy Planning Asst	116,035.59	93,500.00	111,572.55	-	97,963.04
	<u>\$ 277,489.59</u>	<u>\$ 135,408.38</u>	<u>\$ 151,633.82</u>	<u>\$ 1,847.11</u>	<u>\$ 259,417.04</u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, <u>2015</u>	Budget <u>Appropriation</u>	Paid or <u>Charged</u>	<u>Encumbered</u>	Balance December 31, <u>2016</u>
State of New Jersey:					
Clean Communities Program	\$ 26,096.76	\$ 20,688.43	\$ 22,522.97	\$ -	\$ 24,262.22
N.J. Transportation Trust Fund Grant	57,503.32	-	-	-	57,503.32
Emergency Road Repair Aid Grant	8,123.26	-	-	-	8,123.26
Recycling Tonnage Grant	17,944.07	19,382.92	31,980.83	450.00	4,896.16
D.W.I. Grant	593.24	-	-	-	593.24
Municipal Court Alcohol Education & Rehab	8,556.04	1,389.92	-	-	9,945.96
Drunk Driving Enforcement Fund	3,248.94	-	-	-	3,248.94
Body Armor Fund	1,849.62	1,847.11	-	-	3,696.73
Pothole Program	1,779.33	-	-	-	1,779.33
Emergency Operations Planning	610.72	-	-	-	610.72
Handicapped Recreation Opportunities	16.00	-	-	-	16.00
Stormwater Grant	7,962.63	-	-	-	7,962.63
N.J. State Police 2004 Exercise Pass Grant	310.00	-	-	-	310.00
NJ DOT Blackpoint Horseshoe	160,000.00	-	-	-	160,000.00
Federal:					
Assistance to Firefighters Grant	16,426.00	-	-	-	16,426.00
Sandy Planning Assistant Grant	-	119,069.55	12,714.12	104,512.61	1,842.82
	<u>\$ 311,019.93</u>	<u>\$ 162,377.93</u>	<u>\$ 67,217.92</u>	<u>\$ 104,962.61</u>	<u>\$ 301,217.33</u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, <u>2015</u>	Cash <u>Receipts</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2016</u>
State of New Jersey:				
Body Armor Fund	\$ 1,847.11	\$ 1,863.38	\$ 1,847.11	\$ 1,863.38
OEM Joint Grant w/Sea Bright	9,987.69	-	-	9,987.69
	<u>\$ 11,834.80</u>	<u>\$ 1,863.38</u>	<u>\$ 1,847.11</u>	<u>\$ 11,851.07</u>

This page intentionally left blank.

TRUST FUNDS

This page intentionally left blank

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Animal Control</u>	<u>Trust - Other</u>	<u>Recreation Commission</u>
Balance, December 31, 2015	<u>\$ 15,978.99</u>	<u>\$ 2,942,771.49</u>	<u>\$ 379,159.72</u>
Increased By Receipts:			
Recreation Fees	-	-	452,142.26
Dog License Fees	12,615.00	-	-
Due From Current Fund	-	12,045.00	-
Other Reserves	-	561,004.60	-
Dog License Registration Fees	<u>1,126.20</u>	<u>-</u>	<u>-</u>
	<u>13,741.20</u>	<u>573,049.60</u>	<u>452,142.26</u>
	<u>29,720.19</u>	<u>3,515,821.09</u>	<u>831,301.98</u>
Decreased By Disbursements:			
Recreation Expenses	-	-	427,934.03
Animal Control Expenditures	8,029.10	-	-
Due From Current Fund	-	12,045.00	-
Other Reserves	-	435,956.87	-
Dog License Registration Fees	<u>1,126.20</u>	<u>-</u>	<u>-</u>
	<u>9,155.30</u>	<u>448,001.87</u>	<u>427,934.03</u>
Balance, December 31, 2016	<u><u>\$ 20,564.89</u></u>	<u><u>\$ 3,067,819.22</u></u>	<u><u>\$ 403,367.95</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 15,978.99
Increased By:		
Dog License Fees Collected	\$ 8,434.80	
Late Fees Collected	3,030.00	
Miscellaneous Fees Collected	<u>1,150.20</u>	
		<u>12,615.00</u>
		28,593.99
Decreased By:		
Expenditures Under R.S.4:19-15.13		<u>8,029.10</u>
Balance, December 31, 2016		<u><u>\$ 20,564.89</u></u>

2014 Fees	\$ 8,996.40
2015 Fees	<u>11,898.60</u>
	<u><u>\$ 20,895.00</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - DOG LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Registration Fees Collected	<u>1,126.20</u>
	1,126.20
Decreased By:	
Cash Disbursements	<u>1,126.20</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2016</u>
Payroll Deductions:				
Pension System	\$ 8,796.73	\$ -	\$ -	\$ 8,796.73
State Unemployment	71,046.30	7,337.01	14,785.64	63,597.67
	<hr/>			
	79,843.03	7,337.01	14,785.64	72,394.40
	<hr/>			
Forfeited Funds	436.70	3.80	0.29	440.21
Engineering and Escrow				
Deposit	467,140.87	67,299.80	278,282.99	256,157.68
P.O.A.A. Fees	1,798.89	166.00	-	1,964.89
Public Defender	4,253.00	880.00	-	5,133.00
Cash Bond	39,080.00	3,837.00	3,837.00	39,080.00
Outside Employment - Off Duty Police	36,280.40	7,961.75	-	44,242.15
Reserve for:				
Street Openings	26,000.00	22,100.00	29,100.00	19,000.00
Sick Leave	222,032.50	10,570.00	10,570.00	222,032.50
C.O.A.H.	2,020,885.79	426,779.47	74,191.03	2,373,474.23
D.A.R.E.	14,558.41	1,060.36	4,083.01	11,535.76
Fire Safety	1,000.00	-	-	1,000.00
Cafeteria	9,196.16	13,009.41	21,106.91	1,098.66
Miscellaneous - Other	14,670.88	-	-	14,670.88
	<hr/>			
	2,857,333.60	553,667.59	421,171.23	2,989,829.96
	<hr/>			
	\$ 2,937,176.63	\$ 561,004.60	\$ 435,956.87	\$ 3,062,224.36
	<hr/> <hr/>			

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR SPECIAL ASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 2,613.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUNDS
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 2,981.86

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 TRUST - OTHER
 SCHEDULE OF DUE FROM CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	-
Increased By:		
Cash Disbursements		12,045.00
		<u>12,045.00</u>
Decreased By:		
Cash Receipts		12,045.00
		<u>12,045.00</u>
Balance, December 31, 2016	\$	<u><u>-</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$ 328,892.11
Increased By:		
Appreciation	20,809.12	
Borough Contributions	24,150.00	
	<u>44,959.12</u>	<u>44,959.12</u>
		373,851.23
Decreased By:		
Accounting Charges	\$ 950.00	
Withdrawals	22,612.95	
	<u>23,562.95</u>	<u>23,562.95</u>
Balance, December 31, 2016		<u><u>\$ 350,288.28</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Appropriation Reserves	<u>24,150.00</u>
	24,150.00
Decreased By:	
Cash Receipts	<u>24,150.00</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$ 328,892.11
Increased By:		
Appreciation	\$ 20,809.12	
Borough Contributions	<u>24,150.00</u>	
		<u>44,959.12</u>
		373,851.23
Decreased By:		
Accounting Charges	950.00	
Withdrawals	<u>22,612.95</u>	
		<u>23,562.95</u>
Balance, December 31, 2016		<u><u>\$ 350,288.28</u></u>

GENERAL CAPITAL FUND

This page intentionally left blank

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 1,624,309.32
Increased By:		
Capital Improvement Fund	\$ 1,896,553.00	
Due From Current Fund	1,016,826.60	
Reserve To Pay Bonds	<u>189,118.25</u>	
		<u>3,102,497.85</u>
		4,726,807.17
Decreased By:		
Due From Current Fund	9,056.82	
Improvement Authorizations	863,900.56	
Reserve To Pay Bonds	<u>82,619.63</u>	
		<u>955,577.01</u>
Balance, December 31, 2016		<u><u>\$ 3,771,230.16</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, <u>2016</u>
Due To State of New Jersey	\$ 133.00
Encumbrances Payable	238,989.97
Capital Improvement Fund	2,395,649.43
Retained Percentage Due To Contractors	84.00
Due To Current Fund	86.72
Reserve to Pay Bonds	189,703.01
Fund Balance	26,442.79

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	
04/04/02 & 07/21/05	Various Improvements	2,540.00
08/03/06	First Aid Equipment	1,511.17
08/17/06	Office of Emergency Management	1,461.35
11-006	Various Improvements	11,830.02
12-002 & 14-009	Road Resurfacing	696.33
12-011	Various Improvements	9,577.86
13-004	Various Improvements	(935,662.96)
15-003	Various Improvements	91,936.02
15-004	Various Improvements	38,064.45
16-004	Various Improvements	1,641,337.00
16-005	Various Improvements	56,850.00
		\$ 3,771,230.16

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 133.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 10,370,905.15
Decreased By:		
2016 Current Budget Appropriation:		
General Serial Bonds	\$ 775,000.00	
Green Acre Loans Payable	<u>41,594.36</u>	
		<u>816,594.36</u>
Balance, December 31, 2016		<u><u>\$ 9,554,310.79</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016

Date of Ordinance	Improvement Description	Decreased by			Balance December 31, 2016	Analysis of Balance, December 31, 2016	
		Balance December 31, 2015	Notes Paid by Budget Appropriation	Insurance Proceeds		Financed by Bond Anticipation Notes	Expenditures
03/18/08	Various Improvements	\$ 551,012.00	\$ 551,012.00	\$ 551,012.00	\$ -	\$ -	\$ -
06/05/08	Various Improvements	55,213.58	55,213.58	55,213.58	-	-	-
10/13/09	Various Improvements	57,018.87	57,018.87	57,018.87	-	-	-
05/16/11	Various Improvements	863,220.00	209,434.55	209,434.55	653,785.45	653,785.45	-
12-002 & 14-009	Road Resurfacing	1,638,350.00	135,270.00	135,270.00	1,503,080.00	1,503,080.00	-
12-011	Various Improvements	431,956.50	-	-	431,956.50	431,956.50	-
13-004	Sanitary Sewer Repairs and Replacement as a result of Hurricane Sandy	1,012,597.83	-	-	1,012,597.83	-	625,528.21
13-004	Building Repairs as a result of Hurricane Sandy	175,000.00	-	-	175,000.00	-	112,709.76
13-004	Acquisition of various vehicles and equipment for Department of Public Works	357,996.05	-	-	357,996.05	357,996.05	-
13-004	Acquisition of various equipment and furniture for Borough Hall	47,500.00	-	-	47,500.00	47,500.00	-
		\$ 5,189,864.83	\$ 1,007,949.00	\$ 1,007,949.00	\$ 4,181,915.83	\$ 2,994,318.00	\$ 738,237.97
						\$ 449,359.86	

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Date of Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
03/18/08	Various Road Improvements	06/16/10	09/04/16	08/27/17	0.50%	\$ 551,012.00	\$ -	\$ 551,012.00	\$ -
06/08/08	Various Road Improvements	06/14/11	09/04/16	08/27/17	0.50%	55,213.58	-	55,213.58	-
10/13/09	New Borough Hall	06/16/10	09/04/16	08/27/17	0.50%	57,018.87	-	57,018.87	-
05/15/11	Various Improvements	06/14/11	09/04/16	08/27/17	0.50%	863,220.00	653,785.45	863,220.00	653,785.45
04/02/12	Road Resurfacing and Curbing	09/14/12	09/04/16	08/27/17	0.50%	1,638,350.00	1,503,080.00	1,638,350.00	1,503,080.00
10/01/12	Various Improvements	08/28/14	09/04/16	08/27/17	0.50%	431,956.50	431,956.50	431,956.50	431,956.50
02/26/13	Various Improvements	08/28/14	09/04/16	08/27/17	0.50%	405,496.05	405,496.05	405,496.05	405,496.05
						<u>\$ 4,002,267.00</u>	<u>\$ 2,994,318.00</u>	<u>\$ 4,002,267.00</u>	<u>\$ 2,994,318.00</u>
							<u>Renewals</u>		
							\$ 2,994,318.00	\$ 2,994,318.00	
							<u>Paid by Budget Appropriation</u>	<u>1,007,949.00</u>	
								<u>\$ 2,994,318.00</u>	<u>\$ 4,002,267.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 480,905.15
Decreased By:	
Budget Appropriation	<u>41,594.36</u>
Balance, December 31, 2016	<u><u>\$ 439,310.79</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Ordinance Date	Balance, December 31, 2015		2016 Authorizations	Transferred From Encumbrance Payable	Paid or Charged	Encumbered	Balance, December 31, 2016	
			Amount						Funded	Unfunded
1993	Road Resurfacing	05/27/93	\$ 360,000.00	\$ -	\$ -	\$ 8,118.70	\$ -	\$ -	\$ -	\$ -
1997	Road Resurfacing	12/04/97	360,000.00	-	-	16,784.72	-	-	-	-
2001	Various Improvements	04/05/01	614,500.00	-	-	18,440.00	-	18,440.00	-	-
2002	Various Improvements	04/04/02 & 07/21/05	628,600.00	2,540.00	-	9,000.00	-	-	2,540.00	-
2004	Various Improvements	04/15/04	775,000.00	1,119.26	-	1,119.26	-	-	-	-
2006	Acquisition of First Aid Equipment	08/03/06	20,000.00	2,698.25	-	-	1,187.08	-	1,511.17	-
2006	Various Improvements	05/25/06	1,143,000.00	-	-	-	-	-	-	-
2006	Office of Emergency Management Equipment	08/17/06	150,000.00	1,461.35	-	-	-	-	1,461.35	-
07-005	Various Improvements	03/24/09	7,937,000.00	440.92	-	-	440.92	-	-	-
11-006	Public Building Improvements	05/16/11	500,000.00	-	14,679.02	3,500.00	6,349.00	-	-	11,830.02
12-002 & 14-009	Road Resurfacing	04/02/12	1,780,000.00	-	245,356.58	361,257.91	604,298.19	1,619.97	-	696.33
12-011	Emergency Services Equipment	10/01/12	100,000.00	-	38,684.23	-	36,855.63	-	-	1,828.60
12-011	Park Improvements	10/01/12	50,000.00	-	9,080.00	10,000.00	11,330.74	-	-	7,749.26
13-004	Sanitary Sewer Repairs and Replacement as a result of Hurricane Sandy	02/26/13	750,000.00	-	353,504.65	59,474.97	24,353.00	1,557.00	-	387,069.62
13-004	Building Repairs as a result of Hurricane Sandy	02/26/13	300,000.00	-	62,290.24	-	-	-	-	62,290.24
13-004	Acquisition of various vehicles and equipment for Department of Public Works	02/26/13	400,000.00	-	9,762.26	30,238.30	27,425.55	-	-	12,575.01
13-004	Acquisition of various equipment and furniture for Borough Hall	02/26/13	50,000.00	-	14,996.92	-	14,996.92	-	-	-
15-003	Acquisition of various equipment	04/14/15	300,000.00	-	300,000.00	-	23,308.98	184,755.00	-	91,936.02
15-004	Acquisition of various equipment for emergency services & Department of Public Works	04/14/15	70,000.00	-	47,201.32	-	9,136.87	-	-	38,064.45
16-004	Sanitary Sewer Repairs, Replacement, & Upgrades	05/24/16	1,500,000.00	-	-	-	-	-	1,500,000.00	-
16-004	Park Improvements	05/24/16	40,000.00	-	40,000.00	-	-	30,990.00	-	9,010.00
16-004	Public Works Vehicles & Equipment	05/24/16	60,000.00	-	-	-	27,673.00	-	-	32,327.00
16-004	Emergency Services Equipment Acquisition & Upgrades	05/24/16	100,000.00	-	-	-	-	-	100,000.00	-
16-005	Bulkhead & Drainage Repairs, Replacement & Upgrades	12/13/16	50,000.00	-	-	-	43,150.00	-	-	6,850.00
16-005	Park Improvements	12/13/16	50,000.00	-	-	-	-	-	50,000.00	-
			\$ 8,259.78	\$ 1,095,555.22	\$ 1,800,000.00	\$ 516,814.60	\$ 863,900.56	\$ 238,989.97	\$ 1,703,699.52	\$ 614,039.55

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RETAINED PERCENTAGE DUE TO CONTRACTORS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 84.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 2,299,096.43
Increased By:	
Cash Receipts:	
Contribution from Current Fund Budget	<u>1,896,553.00</u>
	4,195,649.43
Decreased By:	
Improvement Authorizations Funded	<u>1,800,000.00</u>
Balance, December 31, 2016	<u><u>\$ 2,395,649.43</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBIT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 83,204.39
Increased By:	
Cash Receipts	<u>189,118.25</u>
	272,322.64
Decreased By:	
Transfer to Current Fund	<u>82,619.63</u>
Balance, December 31, 2016	<u><u>\$ 189,703.01</u></u>

**RUMSON, BOROUGH OF
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance December 31, <u>2015 & 2016</u>
Various Improvements	02/26/13	\$ 654,502.83
Various Improvements	03/24/15	505,000.00
Various Improvements	08/11/15	<u>28,095.00</u>
		<u>\$ 1,187,597.83</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF FEDERAL GRANTS RECEIVABLE - FEMA PUMP STATION GENERATORS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 210,000.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE (FROM)/TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ (1,007,683.06)
Increased By:	
Cash Receipts	<u>1,016,826.60</u>
	9,143.54
Decreased By:	
Current Fund Budget - CIF	<u>9,056.82</u>
Balance, December 31, 2016	<u><u>\$ 86.72</u></u>

This page intentionally left blank.

GENERAL FIXED ASSET ACCOUNT GROUP

This page intentionally left blank

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	6,331,236.84	104,092.00	-	6,435,328.84
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 17,565,402.59</u>	<u>\$ 104,092.00</u>	<u>\$ -</u>	<u>\$ 17,669,494.59</u>

This page intentionally left blank.

COMMENTS AND RECOMMENDATIONS

This page intentionally left blank



The Honorable Mayor and Members of the
Borough Council
Borough of Rumson
Rumson, New Jersey 07760

We have audited the financial statements – statutory basis of the Borough of Rumson in the County of Monmouth for the year ended December 31, 2016.

Scope of Audit

The audit covered the financial transactions of the Treasurer and Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000 for the period of January 1, 2016 to December 31, 2016, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$6,000 for the period of January 1, 2016 to December 31, 2016, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Tax Collector’s Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2016 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016 included real estate taxes for 2016.

The last tax sale was held on November 30, 2016 and was complete.

Inspection of 2016 tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2016	0
2015	0
2014	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

A test sample was selected of twenty (25) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. No prior year findings were noted.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

NAME	POSITION
John E. Ekdahl	Mayor
Joseph K. Hemphill	Council President
Laura Atwell	Councilwoman
Gary Casazza	Councilman
Benjamin W. Day, Jr.	Councilman
Mark E. Rubin	Councilman
John J. Conklin, III	Councilman
Helen Graves	Chief Financial Officer / Tax Collector
Thomas Rogers	Borough Clerk / Business Administrator
Carol Anne Dice	Court Administrator

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
May 22, 2017